



## CITY OF FRISCO PURCHASING DIVISION

October 2, 2012

Addendum #1

RFP #1209-080 Collection Services

### **Clarifications, Questions and Answers:**

#### **Clarification: Page 26 & 27:**

From: The purpose of this request is to solicit proposals to collect on fines associated with Class C Misdemeanor violations that have been adjudicated and are past due and/or in warrant status, for the City of Denton.

To: The purpose of this request is to solicit proposals to collect on fines associated with Class C Misdemeanor violations that have been adjudicated and are past due and/or in warrant status, for the City of Frisco.

#### **Questions and Answers:**

Q: For Sections 1-4, listed on page #30, (delinquent utility accounts, ambulance billing, Police alarm fees, Municipal Court Fines) please provide the following: Historical data as to the number of files and average balance per unit. Age of debt at time of placement, will it be similar in the future?

A: See page 30, these are our best estimates at this time for Historical data. Age of debt is current to July 2012. We cannot forecast debt going forward.

Q: Why is the contract out for bid at this time?

A: This is our first formal bid for Collection Services. We feel the need to put a formal bid in place for these services for all departments at this time.

Q: How many agencies will be awarded contracts?

A: See page 22 under Award Criteria – the contract will be awarded to one vendor only for all projects.

Q: What is the liquidation rate you are currently getting from your agency(s) per business unit?

A: There is no current agency(s). This is our first time bidding these services out.

Q: What in-house collection activity has been performed prior to placing the account for collection?

A: Each department attempted their own collections.

Q: With regard to Closed Utility accounts, are they voluntary or involuntary or both?

A: Both

Q: What percent of files placed for collection have working telephone numbers?

A: One of the purposes of this RFP is to Skip Trace (see page 25) those accounts that may not have working numbers.

Q: What is most important to you? Please list in order of importance. Recovery, Rate, Service

A: Service, Rate, Recovery (see page 38).

Q: To what extent will location of the bidders call center/Corporate headquarters have a bearing on the award?

A: See page 25 – It is preferred that the vendor is in the state of Texas. The vendor must be licensed to conduct business in the state of Texas.

Q: What do you like about your current agency?

A: There is no current agency.

Q: What do you dislike about your current agency?

A: There is no current agency.

Q: Will Frisco consider separating the 4 different packages due to the difference in the collection methods and allow a bid on just court cost collection:

A: No

Q: To what extent are these accounts owed by private consumers versus commercial businesses?

A: Less than 10% are commercial businesses.

Q: Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?

A: No

Q: What collection attempts are performed or will be performed internally prior to placement?

A: None for all other departments except Municipal Court. Municipal Court attempts collection in accordance with the rules and regulations as prescribed by the Office of Court Administration and other state law.

Q: Will the selected vendor be all owed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

A: No

Q: What rate of return is anticipated or expected as a result of this procurement?

A: See page 38 under Evaluation Criteria – Prices for services based on combined rates for all services with consideration of Municipal Court submissions, i.e., the best rate offered.

Q: Will the City consider holding a pre-proposal conference so that technical questions can be asked in person of the individuals responsible for the various types of collections?

A: No

Q: If a vendor cannot perform collection services for all the desired types of receivables, and a company submits a proposal for less than all of the types of receivables, will the proposal be considered?

A: No

Q: At what point in time (e.g. 60 days past due) will new/future accounts **(by type of receivables)** be placed with the selected Service Provider?

A: Monthly for Municipal Court (see page 26). Other departments will vary – either monthly or quarterly.

Q: What are the in-house collection methods (e.g. number of mailings, collection and enforcement techniques) used on the referred accounts prior to turnover to the selected vendor **(by type of receivable)**?

A: Municipal Court – post cards, phone calls, warrants, warrant officers and arrest. UB. Police, & Ambulance Billing – mailers and phone calls.

Q: Who is the current software vendor **for each of the four types of receivables**? We understand that UDS is the software vendor utilized by the Municipal Court.

A: UB – Incode by Tyler Munis. Police – none all tracked manually. Fire – EPCR by Digitech.

Q: Does the City's UDS court software have a collection module?

A: Yes, however, we have not purchased it.

Q: How will account/collection information or data be communicated to the successful bidder, i.e.- electronic to a secure FTP site, email, paper files, etc. **(by type of receivable)**?

A: See page 23, bullet #1

Q: Page 24 requires vendor to provide technical support to enable electronic placement of accounts. What does this entail?

A: This requires the vendor to purchase the modules and support required for UDS, Incode, and EPCR.

Q: Does the City participate in the Statewide Warrant Round-up?

A: Yes

Q: Why has the City identified / reduced the Municipal Court portfolio to outside vendors to only adjudicated cases

A: See page 26 "or in warrant status".

Q: Will the City consider dropping the requirement to report Municipal Court fines and fees to credit bureaus?

A: See page 26 "or in warrant status".

Q: Will the City consider dropping the requirement to report Municipal Court fines and fees to credit bureaus?

A: The City will require only adjudicated cases with judgments be reported.

Q: Is the City currently reporting to credit bureaus for **any of the four types of receivables**, and if so, is the City handling the maintenance of the updates on each account to the credit bureaus?

A: No

Q: Page 23 of the RFP states that "vendor will retain all accounts for the life of the account". By type of receivable, what is the City's definition of "for the life of the account"?

A: See page 23, bullet #5 – 7 years.

Q: Page 25 requires performing bankruptcy inquiries before attempting collection. What does this entail? Why/how does the City want this performed **prior** to attempting collection, when bankruptcy identification is an early part of the collection process?

A: It entails the industry standard for bankruptcy inquiry. The City wants "Due Diligence" in preventing the attempted collection of accounts in bankruptcy.

Q: Will the City of Frisco request that the vendor file a proof of bankruptcy claim for any accounts on behalf of the City?

A: Yes

Q: If commercial or private insurance is identified for EMS services on an account placed, does the vendor submit the account to the City for billing or does the vendor handle the billing?

A: See page 23, bullet #1 – The vendor will be required to work with the 3<sup>rd</sup> party (Digitech) for collection of ambulance billing.

Q: Has the City of Frisco adopted an ordinance in accordance with Article 103.003 of the Code of Criminal Procedure authorizing a collection fee in addition to the court-ordered fine and court costs? If not, does the City intend to do so?

A: No we have not and yes we intend to do so before January 1, 2013.

Q: Does the City of Frisco have any other add-on fee ordinances in place for the other types of receivable?

A: No

Q: Recognizing that this is a proposal, and not a bid, why is the City requiring a bid bond (page 3)?

A: A Bid Bond is not required for this proposal.

Q: Why is the City requiring a performance bond and how will the City determine the amount of the performance bond, since this is a contingency fee proposal?

A: A Performance Bond is not required for this proposal.

Q: Explain the City's requirement for indemnification (page 7).

A: This term and condition does not apply to this RFP.

Q: What is the anticipated award date for the contract?

A: During the month of December so that services can begin January 1, 2013.

Q: Who will comprise the Selection Team that will conduct interviews and make recommendation to City Council?

A: Representatives from Municipal Court, UB, Fire Department, Police Department, Finance, and Purchasing.

Q: Will the City consider delaying the proposal due date by 2 weeks to allow for receipt of responses to questions?

A: No

Vendors who may have already submitted a bid and feel this addendum may change their bid price, may pick up their bid, and return it by the closing date. If picking up the bid is not feasible, any new bid submitted by your firm will supersede one previously submitted.

Acknowledge receipt of this addendum by initialing in the appropriate space on the bid document.

Sincerely,

Jean Stelatella CPIM, CPPB

Buyer, City of Frisco